

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00 EB-07

FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06 L-03

CAB-02 CIEP-01 FAA-00 /047 R

DRAFTED BY EUR/CAN:DBLAKEMORE:RM

APPROVED BY EUR/CAN:JHROUSE,JR.

EB/TT:MR. PORNELL

EB/IFD/OIA:GMITCHELL

TRANSPORTATION:SHERZ (INFO)

COMMERCE:ASTOLER

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R 182316Z OCT 76

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

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E.O. 11652: N/A

TAGS: ETRN, CA

SUBJECT: POSSIBLE GOC RESTRICTIONS ON FOREIGN OWNERSHIP  
AND CONTROL IN TRANSPORT SECTOR

REFS: OTTAWA A-45, OTTAWA 3890

1. EMBASSY IS REQUESTED TO LEAVE THE FOLLOWING AIDE MEMOIRE  
WITH APPROPRIATE EXTAFF OFFICIAL.

2. BEGIN TEXT: THE ATTENTION OF THE DEPARTMENT OF EXTERNAL  
AFFAIRS IS DRAWN TO THE STATEMENT OF NATIONAL TRANSPORTATION  
POLICY ISSUED BY THE MINISTER OF TRANSPORT IN JUNE 1975.

PAGES 28 AND 29 OF THE SUMMARY REPORT ACCOMPANYING THAT  
STATEMENT CONTAIN TWO STATEMENTS OF PARTICULAR INTEREST TO  
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THE USG. PROPOSAL 1 STATES "A TOTAL TRANSPORTATION SYSTEM

FOR CANADA, PROVIDING ACCESSIBILITY AND EQUITY OF TREATMENT FOR USERS, IS AN ESSENTIAL INSTRUMENT OF SUPPORT FOR THE ACHIEVEMENT OF NATIONAL ECONOMIC AND SOCIAL OBJECTIVES." PRINCIPAL 3 READS AS FOLLOWS: "THERE SHOULD BE A COMBINATION OF PUBLIC AND PRIVATE OWNERSHIP OF CARRIERS WITH PRIVATE CARRIERS BEING CANADIAN CONTROLLED, AND OF NATIONAL AND REGIONAL CARRIERS IN THE PROVISION OF TRANSPORTATION, BUT IT SHOULD BE RECOGNIZED THAT, IN THE EVENT OF ANY CONFLICT

BETWEEN PUBLIC AND PRIVATE OBJECTIVES, THE PUBLIC INTEREST MUST PREVAIL AND THE INTERESTS OF TOTAL NATIONAL SERVICE MUST BE OVER-RIDING."

THE USG HAS STUDIED THE POLICY STATEMENT IN SOME DETAIL AND WOULD APPRECIATE CLARIFICATION OF THE INTENTION OF THE CANADIAN GOVERNMENT, PARTICULARLY WITH RESPECT TO THE SUGGESTION THAT PRIVATE CARRIERS SHOULD BE CANADIAN CONTROLLED. WE ARE AWARE THAT THERE IS PRESENTLY A SUBSTANTIAL LEVEL OF US PRIVATE INVESTMENT IN THE CANADIAN TRANSPORT INDUSTRY AND THAT IN THE FUTURE THERE MAY BE AN INTEREST ON THE PART OF AMERICAN INTERESTS IN FURTHER INVESTMENT WHICH, OF COURSE, WOULD BE SUBJECT TO REVIEW BY THE FOREIGN INVESTMENT REVIEW AGENCY.

IF THE CANADIAN GOVERNMENT IS CONTEMPLATING LEGISLATION OR IS PLANNING TO TAKE ANY ADMINISTRATIVE ACTION (THROUGH THE CANADIAN TRANSPORT COMMISSION, THE FOREIGN INVESTMENT REVIEW AGENCY OR OTHER BODIES) WHICH WOULD GIVE EFFECT TO THE ABOVE QUOTED STATEMENTS, WE WOULD HOPE THAT THERE WILL BE AN OPPORTUNITY FOR PRIOR CONSULTATION WITH THE USG. THIS IS PARTICULARLY SO WITH REFERENCE TO ANY CONTEMPLATED CHANGES IN THE GROUND RULES AFFECTING AMERICAN PRIVATE INVESTMENT IN THE CANADIAN TRANSPORT INDUSTRY WHICH IS ALREADY IN PLACE.

THE USG HOPES THAT THE IMPLEMENTATION OF THE PRINCIPLES ENUNCIATED ABOVE WILL NOT GIVE RISE TO NEW PROBLEMS FOR AMERICAN INVESTMENT IN CANADA. A FULL DISCUSSION IN ADVANCE OF ANY CHANGES THE CANADIAN GOVERNMENT MAY BE CONTEMPLATING WITH RESPECT TO INVESTMENT IN THE TRANSPORT LIMITED OFFICIAL USE

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AREA WOULD HELP TO IDENTIFY POTENTIAL PROBLEMS AT AN EARLY STAGE. END TEXT.

3. IN DELIVERING THE AIDE MEMOIRE, THE EMBASSY MAY WISH TO RECALL ORALLY THAT THE STATEMENT OF PRINCIPLES CONTAINED IN THE BROADCAST ACT OF 1968 LED TO CHANGES WHICH HAVE CAUSED SERIOUS BILATERAL PROBLEMS REGARDING BORDER TELEVISION. THE PRESENT DEMARCHE IS AN EFFORT TO AVOID

SIMILAR DIFFICULTIES IN THE TRANSPORTATION SECTOR. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXT, DEMARCHE, POLICIES, TRANSPORTATION, AIDE MEMOIRE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 OCT 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ellisoob  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE257970  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DBLAKEMORE:RM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 OTTAWA A-45, 76 OTTAWA 3890  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 APR 2004 by ElyME>; APPROVED <10 AUG 2004 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE GOC RESTRICTIONS ON FOREIGN OWNERSHIP AND CONTROL IN TRANSPORT SECTOR  
**TAGS:** ETRN, CA, US  
**To:** OTTAWA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006